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**STATE OF IOWA  
LEGISLATIVE FISCAL BUREAU**

State Capitol  
Des Moines, Iowa  
50319

To: Program Elimination Commission

**REVISED**

From: Beth Lenstra

Date: November 25, 2002

Re: Request for Information

Listed below is fiscal information related to the preliminary proposals.

- 1) **Common boundaries for service areas** – This proposal could result in a more equitable distribution of existing resources across the State, and within Iowa's Community-Based Corrections (CBC) system. Currently, larger CBC District Departments have a greater number of offenders to supervise. This, in turn, means it is more likely to have specialized caseloads and treatment opportunities available in more populated counties. So, all treatment and supervision requirements are not necessarily similar across the State. This may create the perception that the criminal justice system is inequitable or discriminatory, and does result in disparate sentencing across the State. If the common boundaries study results in fewer CBC District Departments (currently, there are eight CBC District Departments) certain administrative costs may decrease. However, the proposed action may also result in the reallocation of existing resources. It is unknown at this time if a significant amount of savings would be achieved. A downside risk is that local enthusiasm for CBC programs may decrease as Districts get larger and more control is moved to Des Moines.
- 2) **Modify sentencing guidelines to allow some portion of an 85.0% mandatory sentence to be served in a CBC setting** – This proposal would result in an increased demand for staffing in CBC, assuming current trends (increased caseloads) continue. Under current law, offenders serving a mandatory minimum term of confinement such that 85.0% must be served in prison are not required to be supervised in the community upon their release. These inmates will accrue earned time while serving the mandatory term. Therefore, by the time they have served 85.0% of their prison sentence, they will be discharged. So, requiring these offenders to be supervised in the community will increase caseloads in the CBC system. Please note that this proposal cannot be made retroactive, i.e., those inmates currently in prison for being convicted of an 85.0% rule offense, cannot be required to serve additional time on community supervision. According to the Office of the Attorney General, harsher penalties cannot be imposed after the fact for those inmates already convicted. Therefore, the correctional and fiscal impact is zero for the next five years. Any increase in CBC caseloads due to this proposal is in outlying years.

On the other hand, this proposal may be clarified to mean that those currently serving prison time for an offense under the 85.0% rule have to serve a portion of that 85.0% on community supervision. If so, certain constitutional issues may or may not apply. The Attorney General's Office should be consulted on this matter. If this option is constitutional, there will be a correctional and fiscal impact on the CBC system in the next five years. Further clarification is necessary before these impacts can be estimated.

- 3) **Coordinate the management of CBC through the establishment of a state CBC Director reporting to the Director of the Department of Corrections** – Costs may increase depending upon how this proposal is interpreted and implemented. There are currently four Deputy Directors in the Central Office of the DOC: Administration, Iowa Prison Industries, the Eastern Division and the Western Division. The latter two Deputy Directors both have responsibilities related to the CBC District Departments and the Institutions. In previous administrations, these Deputy Director positions were configured differently, i.e., one was assigned to the Institutions and one was assigned to the CBC District Departments. If the proposal means that the current number of Deputy Directors remains the same but the duties are assigned as in previous administrations, then there are no cost increases. However, if the proposal results in the creation of a fifth Deputy Director, costs may increase in excess of \$100,000.

Additionally, does this proposal require the CBC District Departments to use the State's Iowa Finance and Accounting System (IFAS), the payroll system, and be administered in a fashion similar to the Institutions? If so, this is a policy issue rather than a fiscal issue. There may be nominal savings associated with this issue, but any savings are not expected to be significant. The CBC District Departments pay approximately \$24,000 annually for accounting system software support and maintenance. However, there is the potential for increased costs as the District Departments usually pay invoices more quickly than the State, to earn any discounts. These savings may be lost. It is assumed the current administrative staff in CBC District Departments and the Iowa Department of Revenue and Finance remains unchanged. The District Departments earn interest on the quarterly allotment of their General Fund appropriation. The interest is reported as local income, and approximately \$214,000 was generated in interest income in FY 2002. Under this proposal, this income may either be eliminated (interest accrues to the State General Fund) or maintained (specific language to require the interest to accrue to each CBC District's appropriation).

Lastly, further research has been conducted regarding the information the Legislative Fiscal Bureau (LFB) receives from the CBC District Departments. The Department of Management (DOM) receives payroll information every other week from the CBC District Departments. This information is used to project salary costs, and is shared with the LFB. The DOM is satisfied with the compliance rates of the CBC District Departments. Therefore, it is possible for the LFB to project salary costs and track vacancies for the CBC District Departments.

Pursuant to Chapter 905.8, Code of Iowa, the CBC District Departments send their quarterly financial statements to the DOC. The DOC holds the District Departments' financial statements until all eight have been received. The statements are then forwarded to the LFB. This practice results in a delay of up to two months from the time a District Department sends the information to the DOC and the time it is received by the LFB. This delay in receipt hampers the General Assembly's oversight responsibilities. It may be prudent for the DOC to forward these financial statements to the LFB as they are received; or perhaps, an amendment clarifying Chapter 905.8, Code of Iowa, may be in order.

Please call me at (515) 281-6301 if you have further questions or concerns.